

**Sanford  
Holshouser LLP**

209 Lloyd St., Suite 350

Carrboro, NC 27510

April 19, 2013

Joint Legislative Committee on Local Government  
Attention: Committee Chairs, Committee Ass't  
North Carolina General Assembly  
16 West Jones St.  
Raleigh, NC 27601

Fiscal Research Division  
Attention: Director  
North Carolina General Assembly  
300 North Salisbury St., Suite 610  
Raleigh, NC 27603

**Notice to the Joint Legislative Committee on Local Government  
Concerning Proposed Financing by Orange County**

To the Committee:

As special counsel to Orange County, North Carolina, I am providing this notice in accordance with N.C. Gen. Stat. Section 120-157.2 of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. The following is additional information concerning the proposed financing –

**Project description** – Various public improvements, including water and sewer extensions, vehicle replacement, and roof, HVAC and information technology improvements and replacements

**LGC meeting for consideration** – June 4, 2013

**Estimated amount to be financed** – \$10,000,000

**Type of financing** – installment financing under Section 160A-20

**Description of other sources of financing** – The County expects that the amount borrowed will pay substantially all the costs of the projects.

**Estimated financing term** – The County expects a financing term of

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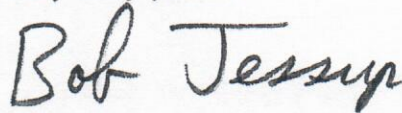
approximately 20 years. The principal payment schedule will be structured to amortize the different components of the financing over their respective useful lives.

**Estimated interest rate** – Under current market conditions, the County expects a true interest cost of the financing of approximately 3.25%.

**Expected source of repayment** – a combination of general fund revenues and utility enterprise revenues.

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,

A handwritten signature in black ink that reads "Bob Jessup". The signature is written in a cursive, slightly stylized font.

Robert M. Jessup Jr.

cc: T. Vance Holloman, Secretary of the Local Government Commission  
c/o Biff McGilvray  
Clarence G. Grier, Orange County finance officer  
John L. Roberts, Orange County Attorney  
Mark Bondo, legislative staff [mark.bondo@ncleg.net]  
(each by electronic mail)